

IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No. 6:17-cv-2061
)	
GERLINE ERILUS; ST. FONIE ERILUS;)	
GERLINE ERILUS, LLC; ELITE)	
MULTI-SERVICES SOLUTIONS, LLC;)	
ST. FONIE ERILUS, LLC; and THE)	
DIVERSIFIED FINANCE SOLUTIONS, LLC,)	
)	
Defendants.)	

**STIPULATED AGREEMENT FOR ENTRY OF ORDER AND JUDGMENT OF
PERMANENT INJUNCTION AND DISGORGEMENT AGAINST GERLINE ERILUS**

The United States filed a complaint in which it seeks, in Counts I, II, and III, a permanent injunction under 26 U.S.C. §§ 7407, 7408, and 7402 against Gerline Erilus. The United States alleges, in part, that Gerline Erilus has continually and repeatedly engaged in conduct subject to penalty under 26 U.S.C. §§ 6694, 6695, and 6701, and conduct that interferes with the administration of the internal revenue laws. The United States also seeks, in Count IV, an order requiring that Gerline Erilus disgorge the ill-gotten gains that Gerline Erilus received (in the form of tax preparation fees) for the preparation of federal tax returns making grossly incompetent, negligent, reckless, false, and/or fraudulent claims.

Gerline Erilus waives the entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, consents to the entry of an Order and Judgment of Permanent Injunction and Disgorgement, and agrees to be bound by its terms.

The United States and Gerline Erilus agree that no provision in this stipulation or the fact that Gerline Erilus is agreeing to it constitutes an admission by her of any of the allegations set

forth by the United States in the foregoing paragraphs or in the United States' complaint.

Gerline Erilus understands that the Order and Judgment of Permanent Injunction and Disgorgement will constitute the final judgment against her in this case, and waives the right to appeal the Order and Judgment of Permanent Injunction and Disgorgement.

The United States and Gerline Erilus agree that entry of the Order and Judgment of Permanent Injunction and Disgorgement resolves only the claims alleged in the Complaint in this case, and will neither preclude the government from pursuing any other current or future civil or criminal matters or proceedings nor preclude Gerline Erilus from contesting her liability or guilt in any other matter or proceeding. Gerline Erilus further understands and agrees that the Court will retain jurisdiction over the Order and Judgment of Permanent Injunction and Disgorgement and understands that if she violates the Order and Judgment of Permanent Injunction and Disgorgement, she may be subject to civil and criminal sanctions for contempt of court.

The United States and Gerline Erilus agree to the entry of an Order and Judgment of Permanent Injunction and Disgorgement against Gerline Erilus as follows:

A. Gerline Erilus, and all those in active concert or participation with her, shall be permanently enjoined from:

- (1) acting as a federal tax return preparer or requesting, assisting in, or directing the preparation or filing of federal tax returns, amended returns, or other related documents or forms for any person or entity other than herself;
- (2) preparing or assisting in preparing federal tax returns that she knows or reasonably should know would result in an understatement of tax liability or the overstatement of federal tax refund(s) as penalized by 26 U.S.C. § 6694;
- (3) owning, operating, managing, working in, investing in, providing capital or loans to, receiving fees or remuneration from, controlling, licensing, consulting with, or franchising a tax return preparation business;

- (4) training, instructing, teaching, and creating or providing cheat sheets, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;
- (5) maintaining, assigning, holding, using, or obtaining a Preparer Tax Identification Number (PTIN) or an Electronic Filing Identification Number (EFIN);
- (6) engaging in any other activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6701, or any other penalty provision in the Internal Revenue Code (26 U.S.C.); and
- (7) engaging in any conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

B. Gerline Erilus, pursuant to 26 U.S.C. §§ 7402(a) and 7407, shall immediately and permanently close all tax return preparation stores that she owns directly or through any entity;

C. Gerline Erilus, pursuant to 26 U.S.C. § 7402(a), shall be prohibited, either directly or through any entity, from assigning, transferring, or selling any franchise agreement, independent contractor agreement, or employment contract related to any tax return preparation business to which she or any entity under her control is a party;

D. Gerline Erilus, pursuant to 26 U.S.C. § 7402(a), shall be barred, directly or through any entity, from: (1) selling to any individual or entity a list of customers, or any other customer information, for whom Gerline Erilus, and any entity or name through which Gerline Erilus, or those acting at her direction, have at any time since January 1, 2013 prepared a tax return; (2) assigning, disseminating, providing, or giving to any current or former franchisee, manager, tax return preparer, employee, or independent contractor of Gerline Erilus, or any entity through which Gerline Erilus prepares tax returns or owns or franchises a tax return preparation business, a list of customers or any other customer information for customers for whom Gerline Erilus, and any entity or name through which Gerline Erilus, or those acting at her direction, has at any time since January 1, 2013 prepared a tax return; and (3) selling to any

individual or entity any proprietary information pertaining to any business or name through which Gerline Erilus, or those acting at her direction, has at any time since January 1, 2013 prepared a tax return;

E. Gerline Erilus, pursuant to 26 U.S.C. § 7402(a), shall, within fifteen days of the Court's order, provide notice of the Court's order to the public, in a statement approved by the Court or counsel for the United States, via publication in a newspaper of general circulation in Orlando, Florida;

F. Gerline Erilus, pursuant to 26 U.S.C. § 7402(a), shall produce to counsel for the United States, within 30 days of the Court's order, a list that identifies by name, address, e-mail address, and telephone number all principals, officers, managers, franchisees, employees, and independent contractors of Gerline Erilus, and any entity, business, or name through which Gerline Erilus or those acting at her direction, has prepared a tax return from January 1, 2013 to the present;

G. Gerline Erilus, pursuant to 26 U.S.C. § 7402(a), shall provide a copy of the Court's Order to all principals, officers, managers, franchisees, employees, and independent contractors of Gerline Erilus, and any tax preparation business or store that Gerline Erilus, or any entity under her control, owned, franchised, or managed, within 15 days of the Court's Order, and provide to counsel for the United States within 30 days of the Court's Order a signed and dated acknowledgment of receipt of the Court's Order for each person whom Gerline Erilus provided a copy of the Court's Order;

H. Judgment shall be entered in favor of the United States and against Gerline Erilus in the amount of \$100,000 for the disgorgement of the proceeds that Gerline Erilus received for

the preparation of tax returns making or reporting false or fraudulent claims, deductions, credits, income, expenses, or other information resulting in the understatement of taxes;

I. The Court shall retain jurisdiction over Gerline Erilus and over this action to enforce this permanent injunction entered against her; and

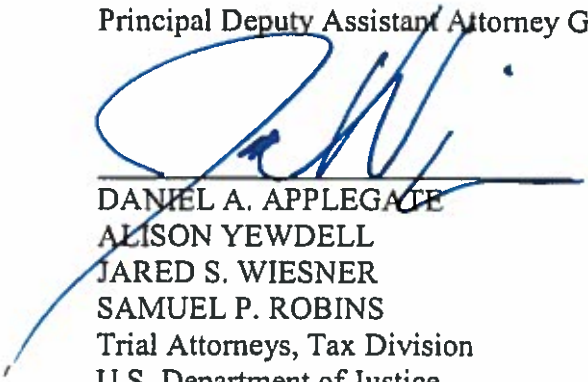
J. The United States shall be entitled to conduct discovery to monitor Gerline Erilus' compliance with the terms of the permanent injunction entered against her.

The parties are simultaneously submitting a proposed order reflecting these terms.

MARIA CHAPA LOPEZ
United States Attorney

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General

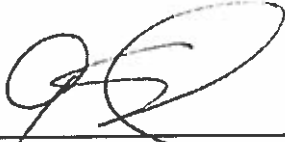
Dated: April 22, 2019



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Dated: April 22, 2019



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5338 Regal Oak Circle
Orlando, FL 32810

Pro Se Defendant

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the Stipulated Agreement for Entry of Order and Judgment of Permanent Injunction and Disgorgement against Gerline Erilus has been made through the Court's CM/ECF system and on the following by first class U.S. Mail on April 22, 2019:

Gerline Erilus
5338 Regal Oak Circle
Orlando, FL 32810

St. Fonie Erilus
3037 Magellan Ave.
Spring Hill, FL 34608

/s/ Jared S. Wiesner
JARED S. WIESNER
Trial Attorney, Tax Division